

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350

Internet Address: <http://www.dps.state.ny.us>

PUBLIC SERVICE COMMISSION

GARRY A. BROWN

Chairman

PATRICIA L. ACAMPORA

MAUREEN F. HARRIS

ROBERT E. CURRY JR.

JAMES L. LAROCCA

Commissioners



PETER McGOWAN

General Counsel

JACLYN A. BRILLING

Secretary

April 12, 2012

SENT VIA ELECTRONIC FILING
Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Room 1-A209
Washington, D.C. 20426

Re: Docket No. ER12-1418-000 - TC Ravenswood, LLC

Dear Secretary Bose:

For filing, please find the Notice of Intervention and Comments of the New York State Public Service Commission in the above-entitled proceeding. Should you have any questions, please feel free to contact me at (518) 473-8178.

Very truly yours,

David G. Drexler
Assistant Counsel

Attachment

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

TC Ravenswood, LLC

)

Docket No. EL12-1418-000

NOTICE OF INTERVENTION AND COMMENTS
OF THE NEW YORK STATE
PUBLIC SERVICE COMMISSION

NOTICE OF INTERVENTION

On April 2, 2012, TC Ravenswood, LLC (TC Ravenswood) filed proposed tariff provisions for "operating, maintaining and testing certain critical equipment that is capable of starting generating facilities without the availability of an outside electric supply in order for those generating facilities to assist in system restoration after a system-wide blackout" (i.e., Black Start Service).¹ The TC Ravenswood Filing seeks to establish provisions for Black Start Service separate and distinct from those contained in the New York Independent System Operator, Inc.'s (NYISO) tariff.

The New York State Public Service Commission (NYPSC) hereby submits its Notice of Intervention and Comments pursuant to the Federal Energy Regulatory Commission's (FERC or Commission) Combined Notice of Filings #2 issued April 5, 2012,

¹ TC Ravenswood is a subsidiary of TransCanada Corporation.

and Rule 214 (18 C.F.R. §385.214) of the Commission's Rules of Practice and Procedure. Copies of all correspondence and pleadings should be addressed to:

David Drexler
Assistant Counsel
New York State Department
of Public Service
Three Empire State Plaza
Albany, New York 12223-1350
david.drexler@dps.ny.gov

William Heinrich
Manager, Policy Coordination
New York State Department
of Public Service
Three Empire State Plaza
Albany, New York 12223-1350
william.heinrich@dps.ny.gov

BACKGROUND

On September 8, 2010, TC Ravenswood notified the NYISO that it intended to discontinue Black Start Service under the NYISO tariff after September 30, 2011. On September 28, 2011, the NYPSC clarified that, in order to address the reliability implications associated with a termination of Black Start Service, TC Ravenswood was also required under State law to obtain the NYPSC's consent prior to terminating such service (Declaratory Ruling).²

Given that TC Ravenswood had neither sought nor obtained the NYPSC's consent to terminate Black Start Service, the NYISO informed TC Ravenswood on October 28, 2011, that the New York State Reliability Council, LLC (NYSRC) "continues to

² Case 11-E-0423, Consolidated Edison Company of New York, Inc. - Petition for Declaratory Ruling, Declaratory Ruling Regarding Blackstart Service (issued September 28, 2011) (NYPSC Declaratory Ruling).

treat TC Ravenswood's Units 10, 20, and 30 as black start facilities that must successfully conduct an annual black start test" in accordance with applicable NYSRC reliability rules. TC Ravenswood responded to the NYISO's letter by filing a Complaint against the NYISO and the NYSRC on November 8, 2011. TC Ravenswood's Complaint, which is still pending before the Commission, seeks a determination that the NYPSC is preempted under the Federal Power Act from regulating Black Start Service, and enjoining the NYISO and NYSRC from pursuing the continuation of black start service from TC Ravenswood's units.³

Subsequent to the filing of TC Ravenswood's Complaint, two significant events occurred. First, it was determined that "restoration time to a significant portion of load in New York City could increase by up to five hours" without the provision of Black Start Service by TC Ravenswood.⁴ Second, the NYISO initiated a stakeholder process to address potential revisions to the rates, terms, and conditions for Black Start Service.

³ See, Docket No. EL12-9-000, TC Ravenswood, LLC v. New York Independent System Operator Inc. and New York State Reliability Council, LLC. On December 6, 2011, the NYPSC filed an Answer to TC Ravenswood's Complaint and requested that FERC deny its Complaint.

⁴ TC Ravenswood Filing, Ex. TCR-1 at pp. 3-4.

Recognizing that "its facilities are critical to the well-being of New York City,"⁵ TC Ravenswood's Filing seeks to establish rates, terms, and conditions for the provision of Black Start Service, which are separate and distinct from the NYISO tariff. TC Ravenswood's Filing represents a constructive response to the reliability concerns that have been raised by the NYPSC, NYISO, NYSRC, and others. The service proposed by TC Ravenswood would be provided at rates comparable to the current NYISO tariff. However, it would only be provided on a month-to-month basis and is premised upon testing procedures that are less rigorous than those set forth in the current NYISO tariff. With clarifications discussed below, the Filing should be approved on an interim basis.

DISCUSSION

The NYPSC's primary interest in the TC Ravenswood Filing is ensuring reliability and the prompt restoration of service to consumers in New York City following a major system interruption, such as a blackout. The NYPSC is concerned with the potential for adverse reliability impacts that might result from a termination of Black Start Service by TC Ravenswood. The NYPSC's Declaratory Ruling ensures that the reliability

⁵ TC Ravenswood Filing, p. 2.

implications of discontinuing Black Start Service can be adequately addressed, by obligating TC Ravenswood to obtain the NYPSC's consent prior to terminating such service. However, TC Ravenswood has not sought such consent.

Absent TC Ravenswood, the time to restore service following a blackout in New York City could increase by up to five hours. The NYSRC has indicated that the delay would have a significant adverse impact on the New York Control Area System Restoration Plan (SRP), and thus violate NYSRC's Reliability Rules.⁶ The NYPSC shares these concerns and is particularly concerned with the potential delay in restoration time during the upcoming summer capability period between May 1 and October 31. It is therefore necessary that TC Ravenswood continue to provide Black Start Service at this time.

Although TC Ravenswood acknowledges that "its facilities are critical to the well-being of New York City,"⁷ TC Ravenswood proposes that its facilities would only be available on a month-to-month basis. Moreover, it appears that TC Ravenswood may unilaterally terminate its Black Start Service at

⁶ TC Ravenswood Filing, Ex. TCR-1 at pp. 4-5. Reliability Rule G-R1, which has been approved and adopted by the NYPSC, requires that an SRP be maintained to restore the system in a safe and orderly manner. Case 05-E-1180, Reliability Rules of the New York State Reliability Council, Order Adopting Third Modifications to New York State Reliability Rules (issued December 24, 2007).

⁷ TC Ravenswood Filing, p. 2.

the end of any month, without any justification.⁸ This type of open-ended commitment on the part of TC Ravenswood is not acceptable or consistent with the type of responsible corporate actions TC Ravenswood claims it would pursue in stating that it "desires to assist to the maximum extent to which it is capable in helping to restore service promptly in the event of an actual black out."⁹

Therefore, the Commission should clarify that TC Ravenswood's proposed tariff would require it to offer Black Start Service until such time as: (i) TC Ravenswood retires its generating facilities (with adequate notice to the NYPSC);¹⁰ (ii) good cause is shown to the NYISO as to why TC Ravenswood's generating facilities are unable to provide the service; or, (iii) the NYPSC's consent to terminate such service is granted upon, for example, the development of an acceptable solution to obtaining adequate Black Start Service on a more permanent

⁸ According to Appendix 1 of the TC Ravenswood Filing ("Service Agreement for Spot Black Start Services" Section 3.0), it appears that Black Start Service would "terminate on the last day of the month which follows the month in which TC Ravenswood and Customer executed th[e] Services Agreement," and may only be extended if agreeable to TC Ravenswood and the Customer.

⁹ TC Ravenswood Filing, p. 1.

¹⁰ Case 05-E-0889, Policies and Procedures Regarding Generation Unit Retirements, Order Adopting Notice Requirements for Generation Unit Retirements (issued December 20, 2005).

basis, as discussed below. In the meantime, TC Ravenswood should utilize good utility practices to maintain, operate, and repair its Black Start generating facilities.

TC Ravenswood's Filing represents a practicable interim solution for ensuring adequate Black Start generation facilities are available until other solutions are implemented. For example, the NYISO has instituted a stakeholder process aimed at developing revised Black Start tariff provisions that address several of the concerns raised by market participants, including TC Ravenswood. TC Ravenswood's proposed tariff provisions should be subject to modification based upon the results of the NYISO stakeholder process. In addition, we expect that Con Edison will be undertaking prudent efforts to ensure that suitable alternative Black Start generation facilities are procured, in the event TC Ravenswood's facilities are no longer available in the future.

Although the NYPSC is willing to support the implementation of the TC Ravenswood Filing on an interim basis under the circumstances, the NYPSC's support should not be construed as waiving the NYPSC's jurisdiction over reliability and the adequacy of Black Start generation service. The NYPSC reserves its authority to take any appropriate actions under State law deemed necessary to ensure safe, adequate, and reliable service to consumers.

CONCLUSION

Black Start Service is needed from TC Ravenswood at this time to ensure prompt restoration of service to consumers in New York City following a blackout. Therefore, the tariff provisions proposed by TC Ravenswood should be approved, with the clarification noted above, on an interim basis.

Respectfully submitted,



Peter McGowan
General Counsel
Public Service Commission
of the State of New York

By: David G. Drexler
Assistant Counsel
3 Empire State Plaza
Albany, NY 12223-1305
(518) 473-8178

Dated: April 12, 2012
Albany, New York

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated: Albany, New York
April 12, 2012



David G. Drexler
Assistant Counsel
3 Empire State Plaza
Albany, NY 12223-1305
(518) 473-8178